



QUARTERLY STATEMENT  
AS OF SEPTEMBER 30, 2008  
OF THE CONDITION AND AFFAIRS OF THE

HumanaDental Insurance Company

NAIC Group Code	0119	0119	NAIC Company Code	70580	Employer's ID Number	39-0714280
	(Current Period)	(Prior Period)				
Organized under the Laws of	Wisconsin			State of Domicile or Port of Entry	Wisconsin	
Country of Domicile	United States					
Incorporated/Organized	01/01/1908			Commenced Business	10/12/1908	
Statutory Home Office	1100 Employers Boulevard			DePere, WI 54115		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	1100 Employers Boulevard			DePere, WI 54115		920-336-1100
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Mail Address	PO Box 740036			Louisville, KY 40201-7436		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	1100 Employers Boulevard			DePere, WI 54115		920-336-1100
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Internet Web site Address	www.humana.com					
Statutory Statement Contact	Cathy Staebler			502-580-2712		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	cstaebler@humana.com			502-580-2099		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
Gerald Lawrence Ganoni	President	Joan Olliges Lenahan	Vice President and Secretary
James Harry Bloem	Sr. VP, CFO & Treasurer	Frank Murray Amrine	Appointed Actuary

OTHER OFFICERS

George Grant Bauernfeind	Vice President	John Gregory Catron	Vice President
Jonathan Thomas Lord M.D.	Sr. Vice President	John Edward Lumpkins #	Vice President
Mark Matthew Matzke	Chief Operating Officer	Colleen Marie Pamperin	Vice President
Kathleen Stephenson Pellegrino	Vice President & Asst. Secretary	Gilbert Alan Stewart #	Vice President
William Joseph Tait	Vice President	Gary Dean Thompson	Vice President

DIRECTORS OR TRUSTEES

James Harry Bloem	Jonathan Thomas Lord M.D.	Michael Benedict McCallister	James Elmer Murray
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State of Kentucky.....  
County of Jefferson.....

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The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Gerald Lawrence Ganoni President	Joan Olliges Lenahan Vice President and Secretary	James Harry Bloem Sr. VP, CFO & Treasurer
Subscribed and sworn to before me this 7th day of November, 2008		a. Is this an original filing? Yes [ X ] No [ ]
		b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached
Myra Carpenter, Notary Public August 9, 2009		

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1  Assets	2  Nonadmitted Assets	3  Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	70,849,677		70,849,677	77,171,885
2. Stocks:				
2.1 Preferred stocks .....	725,000		725,000	725,000
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....1,561,650 ), cash equivalents (\$ .....4,196,367 ) and short-term investments (\$ .....8,140,243 ) .....	13,898,260		13,898,260	16,088,069
6. Contract loans, (including \$ .....premium notes)			0	0
7. Other invested assets .....	0	0	0	0
8. Receivables for securities .....	18,163		18,163	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	85,491,100	0	85,491,100	93,984,954
11. Title plants less \$ .....charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	713,419		713,419	802,935
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	1,576,021	52,720	1,523,301	1,415,830
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			0	0
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....	304,943	20,207	284,736	133,579
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....	146,087		146,087	146,087
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....	150,859	46,517	104,342	114,887
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	810,400	810,400	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....			0	0
22. Health care (\$ ..... ) and other amounts receivable .....	980		980	12,587
23. Aggregate write-ins for other than invested assets .....	1,553,178	1,553,178	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	90,746,987	2,483,022	88,263,965	96,610,859
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25)	90,746,987	2,483,022	88,263,965	96,610,859
DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Prepaid Assets .....	1,553,178	1,553,178	0	0
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	1,553,178	1,553,178	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ ..... less \$ ..... included in Line 6.3 (including \$ ..... Modco Reserve) .....		0
2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve) .....	223,142	166,799
3. Liability for deposit-type contracts (including \$ ..... Modco Reserve) .....		0
4. Contract claims:		
4.1 Life .....		0
4.2 Accident and health .....	13,608,620	13,173,185
5. Policyholders' dividends \$ ..... and coupons \$ ..... due and unpaid .....		0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment (including \$ ..... Modco) .....		0
6.2 Dividends not yet apportioned (including \$ ..... Modco) .....		0
6.3 Coupons and similar benefits (including \$ ..... Modco) .....		0
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... discount; including \$ ..... 6,900,076 ..... accident and health premiums .....	6,900,076	7,687,831
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		0
9.2 Provision for experience rating refunds, including \$ ..... accident and health experience rating refunds .....		0
9.3 Other amounts payable on reinsurance, including \$ ..... assumed and \$ ..... ceded .....	0	0
9.4 Interest Maintenance Reserve .....	477,534	138,596
10. Commissions to agents due or accrued—life and annuity contracts \$ ..... accident and health \$ ..... 1,959,063 ..... and deposit-type contract funds \$ ..... .....	1,959,063	2,094,484
11. Commissions and expense allowances payable on reinsurance assumed .....		0
12. General expenses due or accrued .....	3,151,505	3,837,191
13. Transfers to Separate Accounts due or accrued (net) (Including \$ ..... accrued for expense allowances recognized in reserves, net of reinsured allowances) .....		0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....	179,490	890,413
15.1 Current federal and foreign income taxes, including \$ ..... on realized capital gains (losses) .....		0
15.2 Net deferred tax liability .....		0
16. Unearned investment income .....		0
17. Amounts withheld or retained by company as agent or trustee .....	43,410	36,228
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		0
19. Remittances and items not allocated .....		0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		0
21. Liability for benefits for employees and agents if not included above .....		0
22. Borrowed money \$ ..... and interest thereon \$ ..... .....		0
23. Dividends to stockholders declared and unpaid .....		0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve .....		210,390
24.2 Reinsurance in unauthorized companies .....		0
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		0
24.4 Payable to parent, subsidiaries and affiliates .....	3,014,389	1,861,092
24.5 Drafts outstanding .....		0
24.6 Liability for amounts held under uninsured plans .....	260,852	286,753
24.7 Funds held under coinsurance .....		0
24.8 Payable for securities .....		0
24.9 Capital notes \$ ..... and interest thereon \$ ..... .....		0
25. Aggregate write-ins for liabilities .....	437,500	597,784
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	30,255,581	30,980,747
27. From Separate Accounts Statement .....		0
28. Total liabilities (Lines 26 and 27) .....	30,255,581	30,980,747
29. Common capital stock .....	2,600,000	2,600,000
30. Preferred capital stock .....		0
31. Aggregate write-ins for other than special surplus funds .....	0	0
32. Surplus notes .....		0
33. Gross paid in and contributed surplus .....	15,000,000	15,000,000
34. Aggregate write-ins for special surplus funds .....	0	0
35. Unassigned funds (surplus) .....	40,408,384	48,030,112
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....		0
37. Surplus (total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$ ..... in Separate Accounts Statement) .....	55,408,384	63,030,112
38. Totals of Lines 29, 30 and 37 .....	58,008,384	65,630,112
39. Totals of Lines 28 and 38 .....	88,263,965	96,610,859
<b>DETAILS OF WRITE-INS</b>		
2501. Securites Lending Payable.....	437,500	0
2502. Unclaimed Property.....	0	597,784
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) .....	437,500	597,784
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....	0	0
3199. Totals (Lines 3101 through 3103 plus 3198)(Line 31 above) .....	0	0
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....	0	0
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above) .....	0	0

SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts .....	222,751,210	225,783,833	301,725,155
2. Considerations for supplementary contracts with life contingencies .....		0	0
3. Net investment income .....	3,048,227	2,932,945	3,957,026
4. Amortization of Interest Maintenance Reserve (IMR) .....	71,570	25,760	37,542
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....		0	0
6. Commissions and expense allowances on reinsurance ceded .....		0	0
7. Reserve adjustments on reinsurance ceded .....		0	0
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....		0	0
8.2 Charges and fees for deposit-type contracts .....		0	0
8.3 Aggregate write-ins for miscellaneous income .....	107,994	86,116	119,192
9. Totals (Lines 1 to 8.3) .....	225,979,001	228,828,654	305,838,915
10. Death benefits .....		0	0
11. Matured endowments (excluding guaranteed annual pure endowments) .....		0	0
12. Annuity benefits .....		0	0
13. Disability benefits and benefits under accident and health contracts .....	149,955,666	156,224,120	205,946,583
14. Coupons, guaranteed annual pure endowments and similar benefits .....		0	0
15. Surrender benefits and withdrawals for life contracts .....		0	0
16. Group conversions .....		0	0
17. Interest and adjustments on contract or deposit-type contract funds .....		0	0
18. Payments on supplementary contracts with life contingencies .....		0	0
19. Increase in aggregate reserves for life and accident and health contracts .....		900	900
20. Totals (Lines 10 to 19) .....	149,955,666	156,225,020	205,947,483
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) .....	19,879,584	20,461,400	27,408,116
22. Commissions and expense allowances on reinsurance assumed .....		0	0
23. General insurance expenses .....	20,997,292	22,878,279	30,543,739
24. Insurance taxes, licenses and fees, excluding federal income taxes .....	6,720,104	6,673,519	8,678,970
25. Increase in loading on deferred and uncollected premiums .....		0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance .....		0	0
27. Aggregate write-ins for deductions .....	0	0	0
28. Totals (Lines 20 to 27) .....	197,552,646	206,238,218	272,578,308
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	28,426,355	22,590,436	33,260,607
30. Dividends to policyholders .....		0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	28,426,355	22,590,436	33,260,607
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	10,071,910	7,683,836	10,758,902
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains (losses) (Line 31 minus Line 32) .....	18,354,445	14,906,600	22,501,705
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ .....(428,925) (excluding taxes of \$ .....221,044 transferred to the IMR) .....	(796,575)	(7,940)	(12,924)
35. Net income (Line 33 plus Line 34) .....	17,557,870	14,898,660	22,488,781
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year .....	65,630,112	63,899,790	63,899,790
37. Net income (Line 35) .....	17,557,870	14,898,660	22,488,781
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		0	0
39. Change in net unrealized foreign exchange capital gain (loss) .....		0	0
40. Change in net deferred income tax .....		0	(535,954)
41. Change in nonadmitted assets .....	(389,988)	(188,246)	(166,362)
42. Change in liability for reinsurance in unauthorized companies .....		0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease .....		0	0
44. Change in asset valuation reserve .....	210,390	(50,985)	(56,143)
45. Change in treasury stock .....		0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period .....		0	0
47. Other changes in surplus in Separate Accounts Statement .....		0	0
48. Change in surplus notes .....		0	0
49. Cumulative effect of changes in accounting principles .....		0	0
50. Capital changes:			
50.1 Paid in .....		0	0
50.2 Transferred from surplus (Stock Dividend) .....		0	0
50.3 Transferred to surplus .....		0	0
51. Surplus adjustment:			
51.1 Paid in .....		0	0
51.2 Transferred to capital (Stock Dividend) .....		0	0
51.3 Transferred from capital .....		0	0
51.4 Change in surplus as a result of reinsurance .....		0	0
52. Dividends to stockholders .....	(25,000,000)	(20,000,000)	(20,000,000)
53. Aggregate write-ins for gains and losses in surplus .....	0	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53) .....	(7,621,728)	(5,340,571)	1,730,322
55. Capital and surplus, as of statement date (Lines 36 + 54) .....	58,008,384	58,559,219	65,630,112
DETAILS OF WRITE-INS			
08.301. Access Fees .....	85,500	85,500	114,000
08.302. Miscellaneous Income .....	22,494	616	5,192
08.303. ....			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....	0	0	0
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above) .....	107,994	86,116	119,192
2701. ....			
2702. ....			
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0	0
2799. Totals (Lines 2701 through 2703 plus 2798)(Line 27 above) .....	0	0	0
5301. ....			
5302. ....			
5303. ....			
5398. Summary of remaining write-ins for Line 53 from overflow page .....	0	0	0
5399. Totals (Lines 5301 through 5303 plus 5398)(Line 53 above) .....	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	221,859,136	307,524,013
2. Net investment income .....	3,402,407	4,514,899
3. Miscellaneous income .....	107,994	119,192
4. Total (Lines 1 to 3) .....	225,369,537	312,158,104
5. Benefits and loss related payments .....	149,463,889	207,695,853
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	49,320,858	66,520,396
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....(428,926) tax on capital gains (losses)	9,642,986	10,751,943
10. Total (Lines 5 through 9) .....	208,427,733	284,968,192
11. Net cash from operations (Line 4 minus Line 10) .....	16,941,804	27,189,912
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	80,241,804	34,514,486
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	244	1,316
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	80,242,048	34,515,802
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	74,561,995	31,899,612
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	74,561,995	31,899,612
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	5,680,053	2,616,190
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	25,000,000	20,000,000
16.6 Other cash provided (applied).....	188,334	2,256,445
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(24,811,666)	(17,743,555)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(2,189,809)	12,062,547
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	16,088,069	4,025,522
19.2 End of period (Line 18 plus Line 19.1) .....	13,898,260	16,088,069

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS			
	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial Life .....	0	0	0
2. Ordinary Life Insurance .....	5,201,594	5,593,701	7,405,904
3. Ordinary Individual Annuities .....	1,942,090	2,031,984	2,619,521
4. Credit Life (Group & Individual) .....	0	0	0
5. Group Life Insurance .....	0	0	0
6. Group Annuities .....	0	0	0
7. A & H - Group .....	211,701,492	196,923	291,931,393
8. A & H - Credit (Group & Individual) .....	0	0	0
9. A & H - Other .....	11,085,602	225,625,884	9,843,900
10. Aggregate of All Other Lines of Business .....	0	0	0
11. Subtotal .....	229,930,778	233,448,492	311,800,718
12. Deposit-Type Contracts .....		0	0
13. Total	229,930,778	233,448,492	311,800,718
DETAILS OF WRITE-INS			
1001. ....			
1002. ....			
1003. ....			
1098. Summary of remaining write-ins for Line 10 from overflow page .....	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Wisconsin Office of Insurance.

The Wisconsin Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Wisconsin for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Wisconsin Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Wisconsin. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations exist.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Wisconsin is shown below:

	State of Domicile		2008		2007
1. Net Income, Wisconsin basis	WI	\$	17,557,870	\$	22,488,781
2. State Prescribed Practices (Income):	WI		-		-
3. State Permitted Practices (Income):	WI		-		-
4. Net Income, NAIC SAP	WI	\$	17,557,870	\$	22,488,781
5. Statutory Surplus, Wisconsin basis	WI	\$	58,008,384	\$	65,630,112
6. State Prescribed Practices (Surplus):	WI		-		-
7. State Permitted Practices (Surplus):	WI		-		-
8. Statutory Surplus, NAIC SAP	WI	\$	58,008,384	\$	65,630,112

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

C. Accounting Policy

Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.

Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value; redeemable preferred stocks are carried at amortized cost; and non-redeemable preferred stocks are carried at fair value.

The Company regularly evaluates investment securities for impairment. The Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company's intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

Amortization of bond premium or discount is computed using the scientific interest method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

The asset valuation reserve ("AVR") is determined using NAIC prescribed formulas and is reported as a liability rather than as a valuation allowance or appropriation of surplus. The AVR represents an allowance for possible fluctuations in the value of bonds, equity securities, mortgage loans, real estate and other invested assets.

Under a formula prescribed by the NAIC, the Company defers the portion of realized gains and losses on sales of fixed income investments, principally bonds, attributable to changes in the general level of interest rates and amortizes those deferrals over the remaining period to maturity of the individual security sold. This net deferral is reported as the "interest maintenance reserve" in the accompanying statements of admitted assets, liabilities and surplus.

The Company participates in a securities leading program to maximize investment income. The Company loans certain investment securities for short periods of time in exchange for collateral initially equal to at least 102 percent of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment securities fluctuates. The collateral, which may be in the form of cash or U.S. Government securities, is deposited by the borrower with an independent lending agent.

Equipment is stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives generally ranging from three to five years. Improvements to leased facilities are depreciated over the shorter of the remaining lease term or the anticipated life of the improvement.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive

NOTES TO FINANCIAL STATEMENTS

membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members’ prescription drug benefits, net of rebates from drug manufacturers.

The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company’s benefits payable are adequate to cover future claims payments required, however, such estimates are based on knowledge of current events and anticipated future events, and therefore, the actual liability could differ from the amounts provided

The Company estimates anticipated Pharmacy Rebate Receivables using the analysis of historical recovery patterns.

2. Accounting Changes and Corrections of Errors

Not Applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

Not Applicable.

E. Repurchase Agreements

Not Applicable.

F. Real Estate

Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.



## NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loan default.

- B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

9. Income Taxes

No material change since year-end December 31, 2007.

10. Information Concerning Parent, Subsidiaries and Affiliates

The Company has a management contract with Humana and other related parties whereby the Company is provided with medical and executive management, information systems, claims processing, billing and enrollment, and telemarketing and other services as required by the Company. Management fees charged to operations for the years ended December 31, 2007 and 2006 were approximately \$8.4 million and \$7.2 million respectively.

As a part of this agreement, Humana makes cash disbursements on behalf of the Company which includes, but is not limited to, medical related items, general and administrative expenses, commissions and payroll. Humana is reimbursed by the Company weekly, based upon historical pattern of amounts and timing. Each month, these estimates are adjusted to ultimately settle upon actual disbursements made on behalf of the Company. As a result, any residual inter-company balances are immediately settled in the following month. The Company continues to be primarily liable for any outstanding payments made on behalf of the Company, should Humana not be able to fulfill its obligations.

Dividends of \$25.0 million were paid to Humana Inc. on May 29, 2008. The Department of Insurance was notified prior to the payment of this dividend.

11. Debt

- A. Capital Notes

The Company has no capital notes outstanding.

- B. All other Debt

The Company has no debentures outstanding.

The Company does not have any reverse repurchase agreements.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan

Not Applicable.

- B. Defined Contribution Plan

Not Applicable.

- C. Multiemployer Plans

Not Applicable.

- D. Consolidated/Holding Company Plans

No material change since year-end December 31, 2007.

- E. Post Employment Benefits and Compensated Absences

Not Applicable.

- F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- 1) The company has \$25,000 par value common stock with 300 shares authorized and 104 shares issued and outstanding.

## NOTES TO FINANCIAL STATEMENTS

- 2) The Company has no preferred stock outstanding.
- 3) The State of Wisconsin insurance laws and regulations require that any dividend together with other dividends paid in the preceding 12 months that exceed the lesser of (1) 10.0 percent of statutory surplus at the end of the prior year or (2) the total net gain from operations of the insurer for the preceding calendar year, less realized capital gains each year, is deemed “extraordinary” and must receive the prior written approval of the Department of Insurance.
- 4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 5) There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.
- 6) Not Applicable.
- 7) Not Applicable.
- 8) Not Applicable.
- 9) Not Applicable.
- 10) Not Applicable.
- 11) Not Applicable.
- 12) Not Applicable.

### 14. Contingencies

#### A. Contingent Commitments

Not Applicable.

#### B. Assessments

Not Applicable.

#### C. Gain Contingencies

Not Applicable.

#### D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

#### E. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Plan does not believe that any of these actions will have a material adverse effect on the Company’s surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company’s surplus, results of operations and cash flows.

The Company is not aware of any other material contingent liabilities as of September 30, 2008

### 15. Leases

No material change since year-end December 31, 2007.

### 16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk

- 1) The Company has no investment in Financial Instruments with Off Balance Sheet Risk.
- 2) The Company has no investment in Financial Instruments with Concentration Credit Risk.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

#### A. Transfers of Receivables Reported as Sales

Not Applicable.

#### B. Transfer and Servicing of Financial Assets

The Company participates in a securities lending program of select invested assets. As of September 30, 2008, securities totaling \$6.0 million were loaned under this program. Due to recent financial market turmoil, certain assets held off balance sheet in conjunction with this program were determined to be impaired at September 30, 2008. As a result of this impairment, the net liability of \$437.5 thousand related to this security lending program has been accrued. This represents the shortfall of assets held under the program versus the continuing liability to return the full value of cash collateral.

#### C. Wash Sales

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2008:

	(1)		(2)		(3)	
	ASO Uninsured Plans		Uninsured Portion of Partially Insured Plans		Total ASO	
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$	5,011,818	\$	-	\$	5,011,818
b. Total net other income or expenses (including interest paid to or received from plans)	\$	(4,459,802)	\$	-	\$	(4,459,802)
c. Net gain or (loss) from operations	\$	552,016	\$	-	\$	552,016
d. Total claim payment volume	\$	125,423,704	\$	-	\$	125,423,704

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not Applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not Applicable.

20. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring

Not Applicable.

C. Other Disclosures

Not Applicable.

D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium Balances, Bill Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

Not Applicable.

E. Business Interruption Insurance Recoveries

Not Applicable.

F. State Transferable Tax Credits

Not Applicable.

G. The company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

H. Hybrid Securities

Not Applicable.

I. Subprime Mortgage Related Risk Exposure

(1) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

(2) Indirect exposure to sub-prime mortgage risk through investments in the following securities:

- a. Residential mortgage backed securities – No substantial exposure noted.
- b. Collateralized debt obligations – No substantial exposure noted.
- c. Structured Securities (including principal protected notes) – No substantial exposure noted.
- d. Debt Securities of companies with significant sub-prime exposure – No substantial exposure noted
- e. Equity securities of companies with significant sub-prime exposure – No substantial exposure noted.
- f. Other Assets – No substantial exposure noted.

NOTES TO FINANCIAL STATEMENTS

- (3) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

Not Applicable.

- (4) Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

21. Events Subsequent

The Company is not aware of any events occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition.

Due to recent financial market turmoil during October 2008, certain assets have experienced fluctuations in value. Since September 30, the Company's invested assets have been impacted as follows:

	Net admitted assets reported as of 9/30/2008	Adjustments October 2008 activity				Adjusted value of remaining 9/30/2008 assets as of 10/31/2008
		Sales	Amortization	Realized Gain/(Loss)	Unrealized Gain/(Loss)	
Bonds	70,849,677	(579,819)	(28,963)	325	-	70,241,220
Stocks						
Preferred	725,000	-	-	-	-	725,000
Common	-	-	-	-	-	-
Mortgage Loans	-	-	-	-	-	-
Other invested assets	-	-	-	-	-	-
	71,574,677	(579,819)	(28,963)	325	-	70,966,220
				(1)	(2)	

Total Capital and Surplus reported on quarterly statement. (Health: page 3, line 31; P & C: page 3, line 35; Life: page 3, line 38; Title: page 3, line 30) 58,008,384

Change in 9/30/08 surplus as a result of realized and unrealized gains/(losses) occurring October 2008 related to assets owned as of 9/30/08. ((1) + (2)) 325

Total Capital and Surplus restated for investment fluctuations during October 2008 related to assets owned as of 9/30/08. ((3) + (4)) 58,008,709

Percentage change in 9/30/08 surplus resulting from October 2008 realized and unrealized gains/losses on assets owned as of 9/30/08. ((4) / (3)) 0.00%

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10.0 percent or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( )      No ( X )

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( )      No ( X )

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( )      No ( X )

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

NOTES TO FINANCIAL STATEMENTS

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$0
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No ( X )

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No ( X )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$0

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Not Applicable.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable.

24. Change in Incurred Claims and Claim Adjustment Expenses

No material change since year-end December 31, 2007.

25. Intercompany Pooling Arrangements

Not Applicable.

26. Structured Settlements

Not Applicable.

27. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimate Pharmacy Rebates as Reported on Financial Statements		Pharmacy Rebates as Billed or Otherwise Confirmed		Actual Rebates Received Within 90 Days of Billing		Actual Rebates Received Within 91 to 180 Days of Billing		Actual Rebates Received More than 181 Days after Billing	
930/2008	\$	-	\$	-	\$	-	\$	-	\$	-
6/30/2008	\$	-	\$	-	\$	-	\$	-	\$	-
3/31/2008	\$	84	\$	84	\$	84	\$	-	\$	-
12/31/2007	\$	30	\$	30	\$	30	\$	-	\$	-
9/30/2007	\$	31	\$	31	\$	31	\$	-	\$	-
6/30/2007	\$	3,257	\$	3,257	\$	3,257	\$	-	\$	-
3/31/2007	\$	3,883	\$	3,883	\$	3,883	\$	-	\$	-
12/31/2006	\$	5,071	\$	5,071	\$	5,071	\$	-	\$	-

B. Risk Sharing Receivables

Not Applicable.

28. Participating Policies

Not Applicable.

## NOTES TO FINANCIAL STATEMENTS

29. Premium Deficiency Reserves

As of September 30, 2008, the Company had no liabilities related to premium deficiency reserves. The Company did not consider anticipated investment income when calculating its premium deficiency reserves.

30. Reserves for Life Contracts and Annuity Contracts

Not Applicable

31. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

No material change since year-end December 31, 2007.

32. Premium and Annuity Considerations Deferred and Uncollected

No material change since year-end December 31, 2007.

33. Separate Accounts

Not Applicable.

34. Loss/Claim Adjustment Expenses

No material change since year-end December 31, 2007.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state? .....

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes ☐ No ☒
- 2.2

If yes, date of change: .....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end? .....

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2005
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2005
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

04/11/2007
- 6.4

By what department or departments?  
Wisconsin Department of Insurance.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes ☒ No ☐ NA ☐
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?.....

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes ☐ No ☒
- 7.2

If yes, give full information:  
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes ☒ No ☐

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

9.11

If the response to 9.1 is No, please explain:

.....

9.2

Has the code of ethics for senior managers been amended?.....

Yes ☐ No ☒

9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....

9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes ☐ No ☒

9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes ☐ No ☒

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....\$ .....

INVESTMENT

11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....

Yes ☐ No ☒

11.2

If yes, give full and complete information relating thereto:

.....

12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0

13.

Amount of real estate and mortgages held in short-term investments: .....\$ .....0

14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....

Yes ☐ No ☒

14.2

If yes, please complete the following:

		1		2	
		Prior Year-End		Current Quarter	
		Book/Adjusted		Book/Adjusted	
		Carrying Value		Carrying Value	
14.21	Bonds .....	\$ .....	0	\$ .....	0
14.22	Preferred Stock .....	\$ .....	0	\$ .....	0
14.23	Common Stock .....	\$ .....	0	\$ .....	0
14.24	Short-Term Investments .....	\$ .....	0	\$ .....	0
14.25	Mortgage Loans on Real Estate .....	\$ .....	0	\$ .....	0
14.26	All Other .....	\$ .....	0	\$ .....	0
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....	0	\$ .....	0
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above ....	\$ .....	0	\$ .....	0

15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....

Yes ☐ No ☒

15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....

Yes ☐ No ☐

If no, attach a description with this statement.

8.1



GENERAL INTERROGATORIES

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? .....

Yes [X] No [ ]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase.....	4 New York Plaza, 15th Floor, New York, NY 10004-2413, Attn: Herb Spaulding.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? .....

Yes [ ] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
107105.....	Blackrock, Inc.....	40 East 52nd Street, New York, NY 10022.....

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 2 - LIFE & HEALTH

1.			1
	Report the statement value of mortgage loans at the end of this reporting period for the following categories:		Amount
1.1	Long-Term Mortgages In Good Standing		
1.11	Farm Mortgages .....	\$ .....	0
1.12	Residential Mortgages .....	\$ .....	0
1.13	Commercial Mortgages .....	\$ .....	0
1.14	Total Mortgages in Good Standing .....	\$ .....	0
1.2	Long-Term Mortgages In Good Standing with Restructured Terms		
1.21	Total Mortgages in Good Standing with Restructured Terms.....	\$ .....	0
1.3	Long-Term Mortgages Loans Upon which Interest is Overdue more than Three Months		
1.31	Farm Mortgages .....	\$ .....	0
1.32	Residential Mortgages .....	\$ .....	0
1.33	Commercial Mortgages .....	\$ .....	0
1.34	Total Mortgages with Interest Overdue more than Three Months.....	\$ .....	0
1.4	Long-Term Mortgages Loans in Process of Foreclosure		
1.41	Farm Mortgages .....	\$ .....	0
1.42	Residential Mortgages .....	\$ .....	0
1.43	Commercial Mortgages .....	\$ .....	0
1.44	Total Mortgages in Process of Foreclosure.....	\$ .....	0
1.5	Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Col. 3, Lines 3.1 plus 3.2).....	\$ .....	0
1.6	Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter		
1.61	Farm Mortgages .....	\$ .....	0
1.62	Residential Mortgages .....	\$ .....	0
1.63	Commercial Mortgages .....	\$ .....	0
1.64	Total Mortgages Foreclosed and Transferred to Real Estate .....	\$ .....	0

## STATEMENT AS OF SEPTEMBER 30, 2008 OF THE HumanaDental Insurance Company

## SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

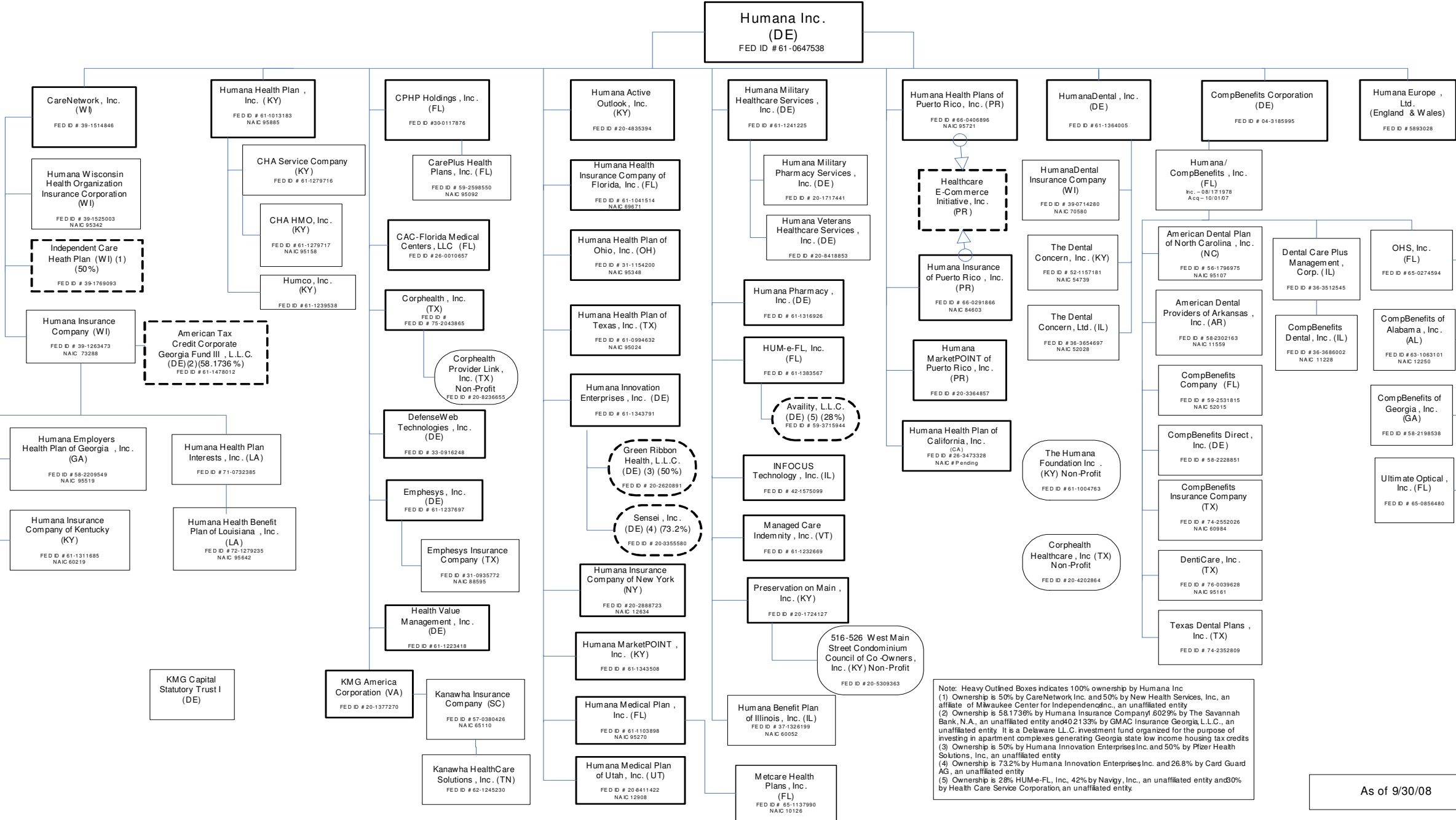
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SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories								
States, Etc.	1	Direct Business Only						
		Life Contracts		4	5	6	7	
		2	3					
	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit-Type Contracts	
1. Alabama	AL	L	34,567	23,071	552,706	0	610,344	0
2. Alaska	AK	L	1,875	40	863,004	0	864,919	0
3. Arizona	AZ	L	28,129	6,095	7,836,324	0	7,870,548	0
4. Arkansas	AR	L	20,070	12,647	247,047	0	279,764	0
5. California	CA	L	206,792	65,362	31,586,241	0	31,858,395	0
6. Colorado	CO	L	20,082	12,840	11,545,232	0	11,578,154	0
7. Connecticut	CT	L	7,826	4,620	0	0	12,446	0
8. Delaware	DE	L	9,076	4,799	8,122	0	21,997	0
9. District of Columbia	DC	L	65,115	9,282	633,384	0	707,781	0
10. Florida	FL	L	354,566	83,602	13,073,644	0	13,511,812	0
11. Georgia	GA	L	101,589	30,959	9,461,631	0	9,594,179	0
12. Hawaii	HI	L	2,084	59,151	0	0	61,235	0
13. Idaho	ID	L	2,096	928	338,177	0	341,201	0
14. Illinois	IL	L	197,041	132,815	22,641,610	0	22,971,466	0
15. Indiana	IN	L	197,560	27,324	5,377,426	0	5,602,310	0
16. Iowa	IA	L	14,516	8,353	96,368	0	119,237	0
17. Kansas	KS	L	4,125	11,928	2,385,462	0	2,401,515	0
18. Kentucky	KY	L	41,521	18,026	965	0	60,512	0
19. Louisiana	LA	L	22,427	3,799	5,258,706	0	5,284,932	0
20. Maine	ME	N	2,261	1,692	0	0	3,953	0
21. Maryland	MD	L	594,544	327,759	2,310,808	0	3,233,111	0
22. Massachusetts	MA	L	173,704	46,144	149,253	0	369,101	0
23. Michigan	MI	L	330,587	90,282	10,372,023	0	10,792,892	0
24. Minnesota	MN	L	94,339	4,400	2,329,701	0	2,428,440	0
25. Mississippi	MS	L	20,934	3,488	1,740,614	0	1,765,036	0
26. Missouri	MO	L	20,910	30,712	5,164,408	0	5,216,030	0
27. Montana	MT	L	1,967	626	0	0	2,593	0
28. Nebraska	NE	L	13,183	4,261	289,098	0	306,542	0
29. Nevada	NV	L	12,683	1,238	4,299,228	0	4,313,149	0
30. New Hampshire	NH	L	21,835	7,354	0	0	29,189	0
31. New Jersey	NJ	L	300,774	119,105	101	0	419,980	0
32. New Mexico	NM	L	3,476	760	634,604	0	638,840	0
33. New York	NY	N	19,339	6,714	0	0	26,053	0
34. North Carolina	NC	L	135,760	24,783	3,044,852	0	3,205,395	0
35. North Dakota	ND	L	398	0	728,589	0	728,987	0
36. Ohio	OH	L	716,333	238,568	12,574,818	0	13,529,719	0
37. Oklahoma	OK	L	3,214	1,570	1,622,623	0	1,627,407	0
38. Oregon	OR	L	6,407	389	209	0	7,005	0
39. Pennsylvania	PA	L	279,088	209,966	1,676,493	0	2,165,547	0
40. Rhode Island	RI	L	5,972	2,243	0	0	8,215	0
41. South Carolina	SC	L	37,881	15,470	298,482	0	351,833	0
42. South Dakota	SD	L	5,087	295	186,319	0	191,701	0
43. Tennessee	TN	L	48,430	16,773	4,100,566	0	4,165,769	0
44. Texas	TX	L	82,143	76,542	36,472,124	0	36,630,809	0
45. Utah	UT	L	13,880	2,566	2,814,392	0	2,830,838	0
46. Vermont	VT	L	1,565	921	0	0	2,486	0
47. Virginia	VA	L	104,630	39,571	5,310,919	0	5,455,120	0
48. Washington	WA	L	7,516	1,488	0	0	9,004	0
49. West Virginia	WV	L	12,116	2,395	517,460	0	531,971	0
50. Wisconsin	WI	L	625,559	147,953	13,268,725	0	14,042,237	0
51. Wyoming	WY	L	4,390	0	82,202	0	86,592	0
52. American Samoa	AS	L	0	0	0	0	0	0
53. Guam	GU	L	0	0	0	0	0	0
54. Puerto Rico	PR	L	138	0	0	0	138	0
55. US Virgin Islands	VI	L	0	0	0	0	0	0
56. Northern Mariana Islands	MP	L	0	0	0	0	0	0
57. Canada	CN	L	238	191	0	0	429	0
58. Aggregate Other Alien	OT	XXX	4,574	230	0	0	4,804	0
59. Subtotal	(a) 54	5,036,912	1,942,090	221,894,660	0	228,873,662	0	0
90. Reporting entity contributions for employee benefit plans	XXX	0	0	0	0	0	0	0
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX	91,194	0	0	0	91,194	0	0
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX	0	0	0	0	0	0	0
93. Premium or annuity considerations waived under disability or other contract provisions	XXX	73,488	0	359	0	73,847	0	0
94. Aggregate of other amounts not allocable by State	XXX	0	0	0	0	0	0	0
95. Totals (Direct Business)	XXX	5,201,594	1,942,090	221,895,019	0	229,038,703	0	0
96. Plus Reinsurance Assumed	XXX	0	0	0	0	0	0	0
97. Totals (All Business)	XXX	5,201,594	1,942,090	221,895,019	0	229,038,703	0	0
98. Less Reinsurance Ceded	XXX	5,201,594	1,942,090	35,883	0	7,179,567	0	0
99. Totals (All Business) less Reinsurance Ceded	XXX	0	0	221,859,136	0	221,859,136	0	0
DETAILS OF WRITE-INS								
5801. Miscellaneous	XXX	4,574	230	0	0	4,804	0	0
5802.	XXX							
5803.	XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	4,574	230	0	0	4,804	0	0
9401.	XXX							
9402.	XXX							
9403.	XXX							
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX	0	0	0	0	0	0	0
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX	0	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	.....YES.....
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	.....YES.....
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	.....YES.....
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	.....YES.....
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value)be filed with the state of domicile and electronically with the NAIC?	.....YES.....

Explanation:

1.This type of business in not written.

2.This type of business in not written.

Bar Code:

1.

  
7 0 5 8 0 2 0 0 8 4 9 0 0 0 0 0 3

2.

  
7 0 5 8 0 2 0 0 8 3 6 5 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amount		0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest at December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted accounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE BA – VERIFICATION

Other Long Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Capitalized deferred interest and other		
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	77,896,884	81,079,754
2. Cost of bonds and stocks acquired	74,561,995	31,899,616
3. Accrual of discount	30,979	58,127
4. Unrealized valuation increase (decrease)	(997,239)	0
5. Total gain (loss) on disposals	631,550	(58,441)
6. Deduct consideration for bonds and stocks disposed of	80,241,804	34,514,488
7. Deduct amortization of premium	295,642	567,684
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized	12,046	
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	71,574,677	77,896,884
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	71,574,677	77,896,884



SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	73,926,583	338,419,100	333,695,066	(1,012,805)	94,551,525	73,926,583	77,637,812	92,315,962
2. Class 2 (a).....	3,682,967	2,100,000	2,350,000	(208,440)	3,286,167	3,682,967	3,224,527	3,240,086
3. Class 3 (a).....	1,971,950		25,000	(39,570)	1,847,525	1,971,950	1,907,380	1,929,897
4. Class 4 (a).....	169,894			120,673	169,895	169,894	290,567	169,894
5. Class 5 (a).....	15,799			110,201	15,862	15,799	126,000	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	79,767,193	340,519,100	336,070,066	(1,029,941)	99,870,974	79,767,193	83,186,286	97,655,839
<b>PREFERRED STOCK</b>								
8. Class 1 .....	725,000				725,000	725,000	725,000	725,000
9. Class 2 .....	0				0	0	0	0
10. Class 3 .....	0				0	0	0	0
11. Class 4 .....	0				0	0	0	0
12. Class 5 .....	0				0	0	0	0
13. Class 6 .....	0				0	0	0	0
14. Total Preferred Stock	725,000	0	0	0	725,000	725,000	725,000	725,000
15. Total Bonds and Preferred Stock	80,492,193	340,519,100	336,070,066	(1,029,941)	100,595,974	80,492,193	83,911,286	98,380,839

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	8,140,243	XXX	8,140,243	101,940	

SCHEDULE DA - VERIFICATION

Short-Term Investments		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,795,909	1,368,868
2. Cost of short-term investments acquired .....	90,670,007	126,220,865
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....		1,150
6. Deduct consideration received on disposals.....	84,325,673	125,794,973
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	8,140,243	1,795,910
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	8,140,243	1,795,910

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

SCHEDULE E-VERIFICATION  
(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	18,688,046	7,784,107
2. Cost of cash equivalents.....	448,306,202	125,411,951
3. Accrual of discount.....	218,398	275,622
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	244	166
6. Deduct consideration received on disposals.....	463,016,523	114,783,800
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	4,196,367	18,688,046
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11)	4,196,367	18,688,046

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

## E04

## E04

E04

E04

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE HumanaDental Insurance Company

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Design- ation or Market Indicator (a)
36202E-0B-8.	GOVERNMENT NATIONAL MORTGAGE GNMA.		09/01/2008.	MBS PAYDOWN.		198,905	198,905	204,188					.0		198,905			.0	1,077	11/01/2037.	1.
912828-FJ-4.	UNITED STATES TREASURY GOVERNMENT.		07/07/2008.	PRIOR YEAR INCOME.									.0					.0	3,844	06/30/2008.	1.
912828-HT-0.	UNITED STATES TREASURY GOVERNMENT.		09/15/2008.	MORGAN STANLEY.		4,800,469	4,750,000	4,739,609			.857		.857		4,740,467		60,002	60,002	71,086	02/28/2013.	1.
912828-HX-1.	UNITED STATES TREASURY GOVERNMENT.		08/07/2008.	MORGAN STANLEY.		1,395,133	1,400,000	1,387,367			1,173		1,173		1,388,540		6,593	6,593	8,084	04/30/2010.	1.
912828-HY-9.	UNITED STATES TREASURY GOVERNMENT.		07/10/2008.	CREDIT SUISSE FIRST BOSTON CORP.		4,795,841	4,785,000	4,777,070			204		204		4,777,274		18,567	18,567	29,256	04/30/2013.	1.
0399999 - Bonds - U.S. Governments						11,190,348	11,133,905	11,108,234	0	0	2,234	0	2,234	0	11,105,186	0	85,162	85,162	113,347	XXX	XXX
246380-XJ-3.	DELAWARE STATE MUNI.		07/15/2008.	CITIGROUP GLOBAL MARKETS INC.		260,480	250,000	284,025	262,019		(3,232)		(3,232)		258,787		1,693	1,693	13,090	01/01/2010.	1FE.
246380-ZX-0.	DELAWARE STATE MUNI.		08/21/2008.	PIPER JAFFREY.		210,793	195,000	216,856	208,330		(2,017)		(2,017)		206,313		4,480	4,480	10,427	02/01/2012.	1FE.
373383-WD-6.	GEORGIA ST MUNI.		09/25/2008.	BARCLAYS CAPITAL.		517,950	500,000	569,800	523,552		(9,016)		(9,016)		514,536		3,414	3,414	21,729	12/01/2009.	1FE.
517840-ZJ-6.	LAS VEGAS VY NV WTR DIST MUNI.		09/26/2008.	CITIGROUP GLOBAL MARKETS INC.		428,421	415,000	446,702	430,759		(4,731)		(4,731)		426,027		2,394	2,394	17,176	06/01/2010.	1FE.
574192-RC-6.	MARYLAND ST MUNI.		09/25/2008.	VARIOUS.		273,503	250,000	295,060	274,503		(3,748)		(3,748)		270,755		2,748	2,748	13,830	03/01/2012.	1FE.
575827-XU-9.	MASSACHUSETTS ST MUNI.		09/26/2008.	HUTCH SHOCKLY ERLEY.		448,528	425,000	479,642	452,128		(8,020)		(8,020)		444,108		4,420	4,420	28,621	02/01/2010.	1FE.
60636P-FA-3.	MISSOURI ST ENVIRONMENTAL IMPT.		08/04/2008.	HUNTINGTON CAPITAL CORP.		515,692	460,000	526,107	512,206		(3,181)		(3,181)		509,025		6,667	6,667	27,198	07/01/2016.	1FE.
641461-AB-4.	NEVADA ST MUNI.		09/26/2008.	STIFEL NICOLAUS AND CO.		180,800	175,000	182,453	180,041		(1,688)		(1,688)		178,353		2,446	2,446	9,431	03/01/2010.	1FE.
641461-AC-2.	NEVADA ST MUNI.		09/26/2008.	GRIFFIN KUBIK.		208,820	200,000	210,944	208,282		(1,862)		(1,862)		206,420		2,400	2,400	10,778	03/01/2011.	1FE.
646039-AS-6.	NEW JERSEY ST MUNI.		08/19/2008.	CITIGROUP GLOBAL MARKETS INC.		327,609	300,000	335,334	322,136		(2,965)		(2,965)		319,171		8,438	8,438	17,981	07/01/2012.	1FE.
646136-BU-4.	NEW JERSEY ST TRANSN TR FD MUNI.		08/04/2008.	FIDELITY INVESTMENTS.		109,964	100,000	107,510	106,051		(426)		(426)		105,625		4,339	4,339	3,222	06/15/2015.	1FE.
658256-RT-1.	NORTH CAROLINA ST MUNI.		08/11/2008.	LEHMAN BROS.		318,468	300,000	331,896	317,331		(3,255)		(3,255)		314,077		4,391	4,391	14,292	03/01/2011.	1FE.
67920P-BF-6.	OKLAHOMA TRANSPORATION AUTH. MUNI.		08/13/2008.	CITIGROUP GLOBAL MARKETS INC.		352,807	325,000	378,814	353,635		(4,302)		(4,302)		349,333		3,474	3,474	19,749	01/01/2012.	1FE.
745145-Y5-5.	PR COMWLTH MUNI.		07/01/2008.	CALLED SECURITY at 100.000.		250,000	250,000	253,480	253,312		(3,312)		(3,312)		250,000			.0	12,500	07/01/2018.	2FE.
882721-CA-9.	TEXAS ST MUNI.		08/21/2008.	FIDELITY INVESTMENTS.		300,119	275,000	298,617	294,803		(1,339)		(1,339)		293,464		6,654	6,654	12,413	04/01/2016.	1FE.
928109-GY-7.	VIRGINIA STATE MUNI.		07/11/2008.	MORGAN STANLEY.		262,688	250,000	286,643	264,563		(3,192)		(3,192)		261,372		1,316	1,316	7,813	06/01/2010.	1FE.
1799999 - Bonds - States, Territories and Possessions						4,966,642	4,670,000	5,203,883	4,963,651	0	(56,286)	0	(56,286)	0	4,907,366	0	59,274	59,274	240,250	XXX	XXX
167560-HQ-7.	CHICAGO ILL MET WTR RECLAMATI MUNI.		09/26/2008.	BANK OF AMERICA.		275,303	250,000	288,078	273,201		(2,912)		(2,912)		270,289		5,014	5,014	11,382	12/01/2012.	1FE.
678519-EW-5.	OKLAHOMA CITY MUNI.		09/26/2008.	GRIFFIN KUBIK.		283,994	270,000	292,937	283,933		(2,685)		(2,685)		281,248		2,746	2,746	14,550	09/01/2011.	1FE.
717095-F4-0.	PFLUGERVILLE TX INDPT SCH DIST.		08/04/2008.	WILLIAM BLAIR & COMPANY L.L.C.		235,212	215,000	237,035	230,742		(1,519)		(1,519)		229,222		5,990	5,990	11,037	08/15/2013.	1FE.
890099-DE-1.	TOMPKINS CNTY NY.		09/18/2008.	M & T INVESTMENT BANKING.		2,100,000	2,100,000	2,100,000					.0		2,100,000			4,993	07/01/2037.	2.	
2499999 - Bonds - Political Subdivisions						2,894,509	2,835,000	2,918,050	787,876	0	(7,116)	0	(7,116)	0	2,880,759	0	13,750	13,750	41,962	XXX	XXX
04057P-AH-1.	ARIZONA SCHOOL FACILITY BOARD MUNI.		08/12/2008.	CITIGROUP GLOBAL MARKETS INC.		423,251	410,000	458,954	424,912		(5,484)		(5,484)		419,428		3,823	3,823	19,589	09/01/2009.	1FE.
303820-M8-4.	FAIRFAX COUNTY VA MUNI.		08/12/2008.	LEHMAN BROS.		370,780	350,000	387,254	368,419		(4,037)		(4,037)		364,382		6,397	6,397	15,264	10/01/2010.	1FE.
31396A-MX-9.	FEDERAL HOME LOAN MTGE CO FHLNC.		09/01/2008.	MBS PAYDOWN.		11,373	11,373	11,676	11,404		(30)		(30)		11,373			.0	417	09/01/2035.	1.
31402C-4G-4.	FED NTL MTG ASSO FNMA.		09/01/2008.	MBS PAYDOWN.		6,879	6,879	6,845	6,876		.3		.3		6,879			.0	248	05/01/2034.	1.
31402C-VP-4.	FED NTL MTG ASSO FNMA.		09/01/2008.	MBS PAYDOWN.		349,604	349,604	348,648	349,522		.82		.82		349,604			.0	12,707	02/01/2034.	1.
31402D-JF-8.	FED NTL MTG ASSO FNMA.		09/01/2008.	MBS PAYDOWN.		72,413	72,413	74,283	72,624		(211)		(211)		72,413			.0	2,863	08/01/2034.	1.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Filing	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A,C,V (11 + 12 - 13)	Total Foreign Exchange Change in B/A,C,V	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
314100-NC-0	FED NTL MTG ASSO FIMA		09/01/2008	MBS PAVDOWN		23,542	23,542	24,513			(.77)		(.77)		23,542			.0	.818	07/01/2036	1	
365418-C0-3	GARDEN ST NJ PRESERVATION TR MUNI		08/21/2008	HUNTINGTON CAPITAL CORP		615,978	550,000	611,364	602,034		(3,277)		(3,277)		598,756		17,222	17,222	23,098	11/01/2016	1FE	
401784-VF-7	GUILFORD COUNTY MUNI		08/21/2008	WACHOVIA		393,070	360,000	402,145	387,319		(3,506)		(3,506)		383,813		9,256	9,256	16,250	10/01/2012	1FE	
414004-WI-5	HARRIS CNTY TEX MUNI		08/13/2008	WACHOVIA		1,049,426	1,025,000	1,054,172	1,063,124		(897)		(897)		1,052,228		(2,802)	(2,802)	51,677	08/15/2021	1FE	
576000-AW-3	MASSACHUSETTS ED LN AUTH		08/21/2008	KEY CAPITAL MARKETS		822,923	750,000	822,945	809,682		(3,835)		(3,835)		805,848		17,075	17,075	38,646	08/15/2016	1FE	
681663-AT-7	OWAHA CONVENTION HOTEL CORP NE		09/25/2008	BARCLAYS CAPITAL		688,987	650,000	683,456	679,831		(4,842)		(4,842)		674,989		13,998	13,998	33,127	04/01/2012	1FE	
915137-VZ-0	TEXAS A & M UNIV REVS MUNI		08/11/2008	LEHMAN BROS		363,685	345,000	360,484	356,969	0	(2,717)	0	(2,717)	0	354,252	0	9,433	9,433	17,202	08/15/2010	1FE	
3199999 - Bonds	- Special Revenues					5,191,911	4,903,811	5,246,739	5,122,716	0	(28,828)	0	(28,828)	0	5,117,507	0	74,402	74,402	231,906	XXX	XXX	
089755-AA-1	BOWE INVESTORS LTD CORPORATE		09/01/2008	CALLED SECURITY at 100.000		7,171	7,171	7,171	7,171				.0		7,171			.0	488	12/01/2008	1FE	
313400-62-4	FEDERAL HOME LOAN MTGE CO CORPORATE		07/30/2008	VARIOUS		168,499	10,000	250,000	250,000			7,000	(7,000)		243,000		(74,501)	(74,501)	11,981	12/31/2049	1FE	
313400-67-3	FREDDIE MAC CORPORATE		07/29/2008	DEUTSCHE BANK ALEX BROWN INC		102,459	9,400	237,350	134,212				.0		134,212		(31,753)	(31,753)	6,545	12/31/2011	1FE	
313566-75-2	FED NTL MTG ASSO CORPORATE		07/14/2008	VARIOUS		86,250	5,000	125,000	124,443		(4,647)	5,046	(9,693)		114,750		(28,500)	(28,500)	5,729	12/31/2049	1FE	
79549A-JJ-9	SBW-01-C2 CMB		09/15/2008	CALLED SECURITY at 100.000		35,140	35,140	36,757	36,297		(1,157)		(1,157)		35,140			.0	1,524	10/01/2011	1FE	
629470-AF-5	NYP FUNDING CORPORATE		09/29/2008	CITI GROUP GLOBAL MARKETS INC		17,250	25,000	25,000	25,000	0	(5,804)	12,046	(17,850)	0	25,000	0	(7,750)	(7,750)	1,898	10/15/2014	3FE	
4599999 - Bonds	- Industrial and Miscellaneous					416,769	91,711	681,278	577,123	0	(5,804)	12,046	(17,850)	0	559,273	0	(142,504)	(142,504)	28,165	XXX	XXX	
6099997 - Bonds	- Part 4					24,660,179	23,634,427	25,158,184	11,451,366	0	(95,800)	12,046	(107,846)	0	24,570,091	0	90,084	90,084	655,630	XXX	XXX	
6099999 - total - Bonds						24,660,179	23,634,427	25,158,184	11,451,366	0	(95,800)	12,046	(107,846)	0	24,570,091	0	90,084	90,084	655,630	XXX	XXX	
6599999 - total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7299999 - total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7399999 - total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7499999 Totals						24,660,179	XXX	25,158,184	11,451,366	0	(95,800)	12,046	(107,846)	0	24,570,091	0	90,084	90,084	655,630	XXX	XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues



Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE



## SCHEDULE E - PART 2 - CASH EQUIVALENTS

[illegible]